

San Mateo County Economic Forecast

San Mateo County is located immediately south of San Francisco County on a peninsula between the Pacific Ocean and the San Francisco Bay. The county thrived in the late 1990s when technology was booming, but since the dotcom bust of 2000 the county has lost 51,500 jobs and has been slow to recover. San Mateo County has a population of 723,500 people and more than 324,000 wage and salary jobs. The per capita income in San Mateo County is \$54,370, and the average salary per worker is among the highest in the state at \$70,200.

Employment growth in the composite Northern California area was weak in 2004, due primarily to the sluggish Bay Area economies. In fact, employment in the Bay Area declined by 1 percent last year. In 2004, nearly 5,000 more jobs were lost in San Mateo County, representing the fourth straight year of job losses in the county. Non-farm employment declined by 1.4 percent last year. However the unemployment rate fell slightly to 5.0 percent in 2004.

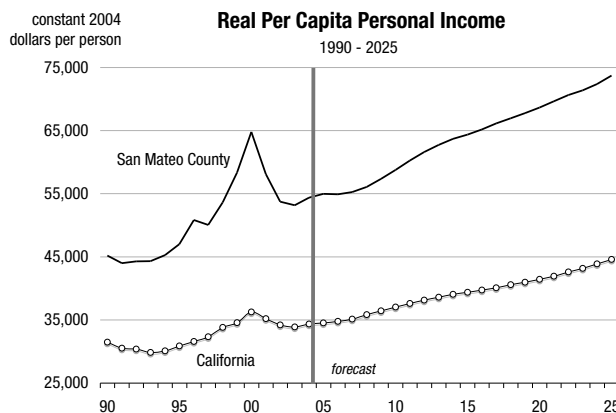
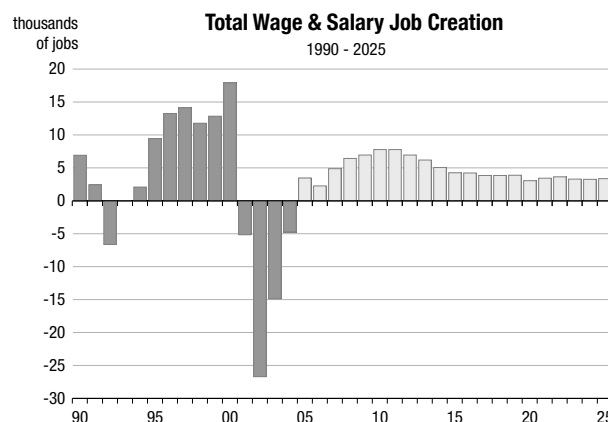
The only two sectors to create jobs in 2004 were leisure services and education and healthcare services. Each sector added about 300 jobs last year. The transportation (largely SFO airport) and government sectors lost the most jobs of any other sector in 2004, each shedding 700 or more jobs.

Population growth remains positive in San Mateo County, but the rate of growth has fallen to just 0.4 percent. The fastest growing cities in the county are San Bruno and East Palo Alto, which increased 1.3 and 1.2 percent respectively last year. The largest city in the county, Daly City, grew 0.4 percent.

Employment growth is forecast to remain muted in San Mateo County through 2006. In 2007 and beyond the county will return to healthier levels of job creation and slightly higher population growth.

Forecast Highlights

- Job growth is expected to turn positive in San Mateo County in 2005 for the first time since 2000. Over the next five years job growth in the county will gain momentum, and the annual growth rate is expected to average 1.7 percent per year.
- Average salaries adjusted for inflation are currently well above the California average, and will remain so over the foreseeable future. Real average salaries are forecast to rise an average of 0.8 percent per year over the next 5 years.
- Between now and 2010, the momentum for employment growth is in professional services, transportation, and information services. These sectors are forecast to contribute 91 percent of all jobs created in the county over the next five years.

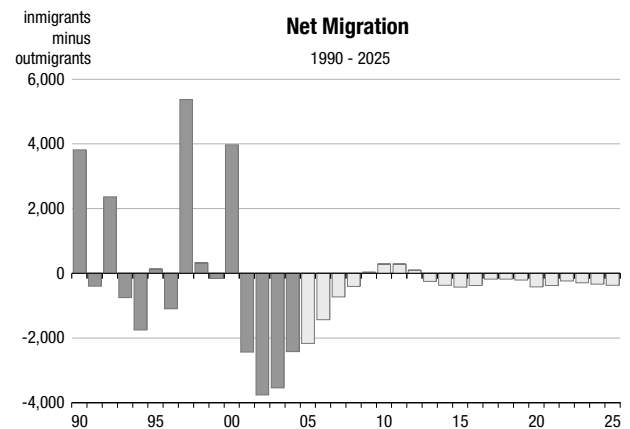
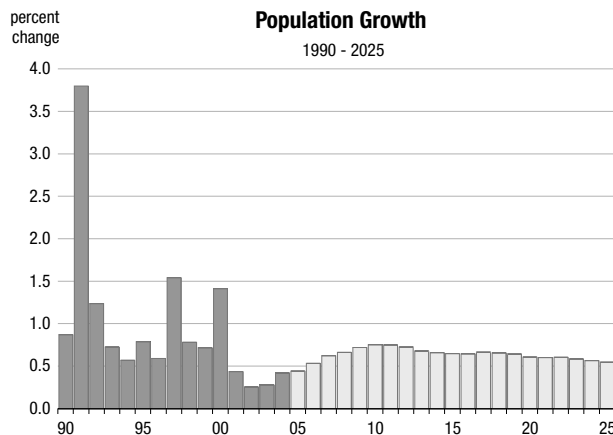


- The population will continue to grow at a rate of approximately 0.4 percent in 2005. Annual growth in the 2005 to 2010 period is forecast to increase, averaging 0.7 percent per year.
- Net migration is expected to remain negative in 2005 for the fifth consecutive year. Over the next five years net migration is expected remain negative, with an average of 450 net migrants leaving the county per year.
- Real per capita incomes increase at a rate of 1.1 percent in 2005. Over the next five years real per capita incomes are forecast to increase 1.4 percent per year.
- Industrial production is expected to increase 5.4 percent in 2005. Over the next five years the growth rate of industrial production is forecast to average 4.1 percent per year, due largely to rising levels of industrial (transportation) employment.

San Mateo County Economic Forecast

1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1995	675,900	135	644.1	246.2	1,424	\$8.8	\$24.2	\$47,023	2.0	255.4	5.7	4.2
1996	679,900	-1,096	654.4	247.3	1,105	\$9.8	\$27.0	\$50,822	2.3	260.0	6.0	3.3
1997	690,400	5,375	637.4	248.5	1,519	\$10.7	\$27.9	\$50,038	3.4	266.6	6.4	2.7
1998	695,800	323	711.9	249.8	2,175	\$11.0	\$31.1	\$53,644	3.2	221.2	6.9	2.5
1999	700,800	-157	714.4	251.2	901	\$12.1	\$35.5	\$58,356	4.2	204.2	7.3	2.0
2000	710,715	3,973	708.9	254.1	2,317	\$14.0	\$41.7	\$64,777	4.5	219.2	7.7	1.6
2001	713,829	-2,431	698.0	255.1	1,441	\$12.9	\$39.6	\$58,111	5.4	185.4	6.9	2.9
2002	715,656	-3,757	712.4	256.7	1,423	\$11.6	\$37.3	\$53,742	1.6	188.7	6.2	5.0
2003	717,662	-3,535	685.4	258.1	1,304	\$11.4	\$37.7	\$53,188	1.8	182.7	6.2	5.1
2004	720,691	-2,415	690.7	259.2	1,034	\$11.6	\$39.2	\$54,371	1.2	181.4	6.3	5.0
2005	723,873	-2,164	696.0	259.9	1,021	\$12.2	\$41.1	\$54,988	1.7	181.4	6.6	4.5
2006	727,744	-1,433	700.1	260.8	980	\$12.7	\$42.3	\$54,914	2.7	181.4	6.8	4.4
2007	732,296	-724	704.8	261.7	1,041	\$13.2	\$43.9	\$55,254	2.6	181.4	7.1	4.3
2008	737,161	-405	710.9	262.7	1,119	\$13.9	\$45.9	\$56,083	2.6	181.4	7.4	4.1
2009	742,476	33	717.6	263.7	1,201	\$14.5	\$48.3	\$57,343	2.5	181.4	7.7	4.1
2010	748,070	289	724.9	264.7	1,301	\$15.2	\$51.1	\$58,785	2.7	181.4	8.1	4.0
2011	753,698	290	732.9	265.9	1,396	\$16.0	\$54.1	\$60,269	2.7	181.4	8.5	4.0
2012	759,174	101	741.5	267.1	1,486	\$16.8	\$57.2	\$61,601	2.8	181.4	8.8	3.9
2013	764,330	-247	750.6	268.5	1,531	\$17.6	\$60.2	\$62,731	2.9	181.4	9.1	3.8
2014	769,376	-370	759.2	269.8	1,554	\$18.3	\$63.2	\$63,700	2.9	181.4	9.4	3.8
2015	774,363	-422	767.1	271.2	1,571	\$19.1	\$66.1	\$64,355	3.1	181.4	9.6	3.9
2016	779,380	-371	774.7	272.6	1,575	\$20.0	\$69.2	\$65,168	3.0	181.4	9.9	3.9
2017	784,559	-179	781.9	274.1	1,585	\$20.8	\$72.6	\$66,135	2.9	181.4	10.2	4.0
2018	789,709	-174	789.8	275.5	1,617	\$21.7	\$75.8	\$66,948	2.7	181.4	10.6	4.0
2019	794,793	-205	798.8	276.9	1,636	\$22.6	\$79.2	\$67,787	2.8	181.4	10.9	4.0
2020	799,616	-417	808.4	278.4	1,656	\$23.5	\$82.7	\$68,657	2.7	181.4	11.1	4.0
2021	804,423	-377	818.4	279.9	1,648	\$24.5	\$86.4	\$69,657	2.6	181.4	11.4	4.0
2022	809,302	-236	828.3	281.3	1,649	\$25.5	\$90.3	\$70,625	2.6	181.4	11.7	4.0
2023	814,054	-286	837.9	282.8	1,633	\$26.5	\$94.1	\$71,370	2.7	181.4	11.9	4.0
2024	818,675	-333	847.4	284.3	1,640	\$27.6	\$98.4	\$72,393	2.7	181.4	12.2	4.0
2025	823,167	-368	856.5	285.7	1,654	\$28.9	\$103.2	\$73,732	2.7	181.4	12.4	3.9



San Mateo County Employment Forecast

1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Mining & Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1995	305.8	2.64	11.6	30.7	30.3	50.2	24.4	49.9	10.4	26.5	28.0	32.0
1996	319.0	2.72	13.6	32.7	31.0	51.6	24.1	55.8	10.4	26.8	29.8	31.1
1997	333.2	2.88	15.3	33.2	32.8	52.9	24.7	62.7	11.2	27.2	30.7	30.1
1998	345.0	2.92	16.6	35.1	33.7	53.6	25.8	64.0	13.6	28.2	30.2	31.4
1999	357.8	2.88	17.7	35.6	34.0	53.5	25.8	70.8	17.7	27.9	29.5	32.1
2000	375.7	2.93	18.9	35.9	35.2	54.0	24.7	78.5	24.0	28.1	30.5	32.5
2001	370.6	2.88	19.7	34.8	34.4	54.0	23.9	71.0	26.1	29.1	30.9	32.9
2002	343.9	2.68	18.9	31.0	29.3	51.2	22.1	59.3	23.3	30.0	30.8	33.6
2003	329.0	2.68	17.7	28.8	26.8	49.2	21.0	55.0	22.8	30.4	30.3	32.7
2004	324.3	2.45	17.6	28.5	26.1	48.3	20.6	54.6	21.7	30.7	30.5	32.0
2005	327.7	2.24	16.8	28.6	28.2	48.5	20.4	56.4	21.6	31.0	30.8	31.8
2006	330.0	2.06	16.1	28.3	29.2	48.6	20.3	57.8	21.9	31.2	31.1	31.8
2007	334.9	1.92	15.6	27.7	30.4	49.0	20.1	60.7	22.8	31.5	31.6	31.8
2008	341.4	1.80	15.3	27.6	31.4	49.3	20.2	63.8	24.3	31.8	32.1	31.9
2009	348.4	1.72	15.1	27.6	32.4	49.7	20.2	66.7	26.1	32.0	32.5	32.0
2010	356.2	1.64	15.0	27.7	33.7	50.1	20.3	69.7	28.1	32.3	32.8	32.1
2011	364.0	1.58	15.1	28.1	34.6	50.5	20.4	72.8	30.2	32.6	33.2	32.2
2012	370.9	1.53	15.1	28.2	35.1	51.0	20.3	75.8	32.2	32.9	33.4	32.2
2013	377.1	1.49	15.2	28.2	35.7	51.5	20.3	78.4	33.9	33.3	33.6	32.3
2014	382.2	1.46	15.2	28.1	36.0	51.9	20.2	80.5	35.5	33.8	33.8	32.4
2015	386.5	1.43	15.2	27.8	36.5	52.3	20.2	82.1	36.9	34.2	33.9	32.4
2016	390.8	1.41	15.2	27.9	37.2	52.6	20.1	83.1	38.2	34.7	34.1	32.4
2017	394.6	1.39	15.2	27.9	37.7	53.0	20.1	84.0	39.5	35.2	34.2	32.4
2018	398.5	1.37	15.1	28.0	38.2	53.3	20.1	84.9	40.7	35.7	34.4	32.4
2019	402.4	1.36	15.1	28.0	38.8	53.7	20.1	85.8	41.8	36.2	34.6	32.5
2020	405.5	1.35	15.1	27.6	39.0	54.0	20.1	86.8	42.8	36.7	34.7	32.5
2021	408.9	1.34	15.1	27.7	39.3	54.3	20.0	87.8	43.7	37.2	34.8	32.5
2022	412.6	1.34	15.1	28.2	39.5	54.7	20.0	88.6	44.6	37.6	35.0	32.5
2023	415.9	1.33	15.1	28.5	39.7	54.9	20.0	89.4	45.5	38.0	35.2	32.5
2024	419.2	1.33	15.1	28.8	39.8	55.2	20.1	90.3	46.4	38.4	35.4	32.5
2025	422.6	1.33	15.1	29.0	39.8	55.5	20.1	91.1	47.5	38.9	35.5	32.5

